

REMARKS BY THE DIRECTOR OF CENTRAL INTELLIGENCE

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Yesterday was a big day for the Intelligence Community of this country. The President signed the Executive Order on the organization and control of the Intelligence Community. I believe the importance of this document comes from the fact that there is a general recognition in the government today that we are at an important turning point in the history of intelligence in our country. After several years of turmoil and criticism we are now beginning to move surely again in a very positive, but at the same time, modern and uniquely American direction. Let me try this afternoon to describe what is happening in terms of an analogy with a great American institution, the family business.

The stage where we are in American intelligence today is like that of a family business that has progressed very successfully for 20 or 30 years and has reached a point where it realizes that the time has come for it to incorporate.

Frequently, a business incorporates when, after a number of years, its very successful original product needs modification, or the product line needs diversification and going public seems to be the only way to accomplish these goals.

Our product line started out in the wake of World War II. It focused almost exclusively on the Soviet Union, the satellite countries in Eastern Europe, and on those particular instances when the Soviets made forays out into the rest of the world trying to establish footholds. Basically, our product was determined by what the Soviets were doing and where they were doing it. The focus was primarily on military intelligence. There was also one other characteristic that we should not overlook: that in those days and particularly with respect to the CIA, the country not only wanted to be informed on what was going on but wanted the CIA to step in and influence those events. We were there in Iran in 1953, in Guatemala in 1954, in Cuba, in Vietnam and, as recently as 1975, in Angola until the Congress decided otherwise.

I suggest today, as we look out on the world scene, that it is quite different. We are not interested primarily in the Soviet Union and half a dozen of her neighbors. We have an intense, a genuine, and a legitimate interest in almost all of the 150 odd countries in the world. Those interests stretch from the military to the political

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to the broad economic questions of the day. Now there is no question that the Soviet military threat remains the number one priority consideration of American intelligence; however, we must also fill these vast other needs.

It is only four or five years ago that we began predicting the Soviet grain harvest. But look at the change that this and other non-military efforts bring to the intelligence process; the different kinds of people we must have; the different kinds of analyses, tools of collection and so on. Look at how different the attitude throughout the country is on the question of political action today. Certainly we must retain that capability for those places where it is applicable. But, I do say that we must be more judicious in its use and ensure that the execution of political influence is under tighter controls. Indeed, we are in a period of change.

To me, this is a change of product. We have a different product today to the extent it has a wider sphere of interest economically, politically and militarily; a greater geographical scope; and more focus on the collection of information than on political action.

A second reason a family business may become a public corporation is when its production line is out-moded and it no longer fulfills the company's needs. The owners must find capital to install modern machinery. We have some astounding modern machinery in the intelligence world today. Technical collection systems that are just burgeoning. In some ways it is like the difference between watering your flowers with a garden hose yesterday, and then finding that today you have a fire hose. That is the difference over the last decade in the quantity of information that has become available through advanced technical collection systems. And that must change our production line, the way we do our business.

Now, interestingly, one effect that has is to increase the importance of the human intelligence officer. There have been human spies at least since Jericho. They have been around ever since and I believe always will be. Today they are growing in importance because the more technical data we collect and offer up to the policymakers, the more they say, "Your technical systems tell me what happened yesterday and what the status is today, but what

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is going to happen tomorrow?" Or, "Why did they do that?" Or, "What are their intentions?" As I know you appreciate, this is the forte of the human intelligence officer. So the real change in our production line today is that we must meld this growing capability to collect raw data with the increased need to answer questions which only the human intelligence collector can do. It is really a change in production style. The human agent is no longer the primary intelligence tool. He is certainly the first among equals, but today is one in a galaxy of stars. And that too, like changing the product, is something of an unsettling process. It adds ferment to the organization, must be adjusted to, and that takes time.

There is still a third reason that private businesses go public. When you change both your product and your production line you sometimes need different kinds of human talent. New capabilities, new methods, often demand special training or education and sometimes a radically different outlook. Maybe you have a big enough staff to do the job but not quite the right fit of talent for your new production line.

Such is the case in the Central Intelligence Agency today. As we retool away from a family business concept to a public corporation concept, our personnel policies must be retooled also. We have been blessed in this country for thirty years. Some of the finest, most dedicated intelligence professionals came into this organization in its early years, at the height of the Cold War, and have made it into the finest intelligence organization in the world. But, let me give you just one statistic. The four top grades on the government payroll are GS-15, 16, 17 and 18. They represent the four top levels of vice presidents in our corporation. Today the average age of officers in the GS-15, 16, 17 and 18 brackets in the Central Intelligence Agency's clandestine service section differs by only three years and, between GS-15, 16 and 17 by only one year. They are all around 50 years old. The average retirement age in these grades in the clandestine service is 55. One day very soon we will have a block of extremely capable senior managers all retiring at the same time. In business, if half your vice presidents retire within two or three years of one another, what do you do? You go out to the market place and find other people in similar corporations and you bring them in. But where do I turn to get an experienced chief of station, a professional intelligence officer? I have to raise them from within. To do that

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we must have a promotion and progression policy so that when I must assign someone to a sensitive, risk-taking post for this country, I will have three or four choices to be sure that we can find exactly the right one. To do this you must have internal competition and you must provide for the good people to be identified, selected, and moved along so that when you bring them into those top positions they have had the grooming and experience to do an outstanding job. It is one of the reasons I had the unpleasant task on the first of November of asking 212 of our employees to leave, two-thirds of them to retire. I didn't like that, but I felt it had to be done for the health and the future of the clandestine service of the Central Intelligence Agency.

Let us take the analogy one step further. Family businesses are private. Public corporations are exposed to the light of public scrutiny. And so too in American intelligence today, after the years of investigation and inquiry there is no way we can avoid being more in the limelight. It has disadvantages--the KGB does not have to operate under those kinds of constraints--but there are also advantages. Look back to when all the criticism of intelligence activities started. Had the Central Intelligence Agency, in particular, garnered more public understanding and support, it might not have taken quite the battering it did. Much of it was quite unjust and uncalled for, even malicious, in my opinion. But it found itself alone, with few defenders. Today I hope we can help the American public understand better what we do and why, thereby building greater support. I am not suggesting in any way that in the intelligence business one can "go public." Some information can be shared, but much cannot be. Some things cannot be done without the assurance of secrecy.

In recent months I have been working in two directions in this area of secrecy and openness. I am taking what some may regard as almost draconian measures to tighten security around how we get our intelligence, what these new technical systems are, how human agents work and the most sensitive information that they obtain. On the other hand, I am opening up the intelligence process where we can afford to open up. Whenever we complete a major study or estimate, it is carefully examined to determine whether enough would be left of benefit to the American public if we took out that which must remain classified. If there is, it is made available. We have done that, I believe, with good service to the country in recent months. For example, I believe the Soviet economic forecast that has been

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released to the public has stimulated some interesting and worthwhile debate in this country on the world energy situation. I hope that our contribution has helped to improve the quality of that national debate. I do not believe we have released anything that would be of great succor to the enemy.

Finally, let me suggest that when that family business goes public it is also suddenly subject to much greater oversight and control from its board of directors and, to some extent, from the public itself. So too with American intelligence today. Out of the crucible of criticism is coming a process of oversight. My board of directors is of course the President, the Vice President and National Security Council, the Intelligence Oversight Board and two committees of the Congress. Because we all appreciate that there is no way in which you could have total public oversight of an intelligence process, these individuals and committees constitute surrogates for public oversight.

Today we are reporting more frequently and more completely than ever before to these surrogates. The process is working well and is benefiting us in several ways. First, this contact with the Congress enables us to stay closer in touch with American sentiment. Second, we benefit from outside judgment and a somewhat detached view of the risks which must often be taken in the things we do. Frankly, the senators and representatives on the two intelligence committees feel the weight of that responsibility and particularly in terms of security, have shouldered it well.

But let me stress that all of these steps in the evolution of a family-type business to a public corporation are unsettling. We must wait to see just how much of it will settle out. For instance, it will be another year or two before relations with the oversight bodies are fully established. Yesterday we laid an important foundation for that relationship. Today we are moving in the directions I have pointed out. The Executive Order helps in three cardinal ways. First, it attempts to ensure the intimate involvement of the policymaker in the determination of what we should be doing in intelligence. Clearly, not being a consumer, I am not the one to set the priorities for collecting intelligence. My function is to provide a service to the consumer. So I chair a subcommittee of the National Security Council where I am expected to draw out from the Secretaries of State, Defense, Treasury, the National Security Council advisors and the President what they need and what their priorities are. This has been attempted before

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in other forms and we will have to see if it works through this one. I can assure you we are determined to make it work. If the high level attention and interest it has received in the several months it has been functioning in advance of the actual signing yesterday are any indication, it will work well.

Second, the Executive Order strengthens the authority of the Director of Central Intelligence in a number of areas. In essence, this harkens back to the National Security Act of 1947 which tried to establish a centralized authority over intelligence but never quite worked that way. Contrary to media reports, no czar of intelligence has been created, nor is there an intention to create one. What has been done is that for the first time the Director of Central Intelligence will have clear authority to formulate the overall National Foreign Intelligence Program budget. The 1979 budget was put together by the new process in anticipation of the signing of the Order and I think it worked splendidly. The interests of the Defense Department, the State Department, Treasury and everyone else were considered fully. There was a thorough exchange of views and agreement before the final decisions were made and the budget presented to OMB and the President.

Next, the Order strengthens my authority over tasking. This extra control ensures that all the collection elements, human and technical, no matter who is actually operating them, are under central direction and control. The expensive, risk-taking portion of intelligence is collecting. Here we want no excess overlap nor can we afford gaps. We must also anticipate broad Community needs for today, 5 and 10 years from now and prepare for them. I think this will permit us to do that. It does not, however, give me the authority to ride roughshod over the interpretation and analysis of intelligence. The Bureau of Intelligence and Research at the State Department and the Defense Intelligence Agency are just as independent today as they were yesterday. In analysis we want overlap. Divergent views when they exist must be able to come forward. We are not looking for major economies here because there are neither the risks nor the large costs.

Also, the Executive Order authorizes me to ensure the proper dissemination of the information collected. We are all aware of instances where one agency has collected something and given it to some of its consumers but forgot somebody else. I now have centralized authority to ensure that dissemination takes place and shall make every effort to do it well.

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Finally, the third cardinal area of change is in oversight. Here, as a follow-on to the Executive Order signed by President Ford in February 1976, procedures are established by which intelligence operations that could infringe on the rights and privacy of American citizens are controlled. The method of that control will be largely through guidelines which are established by the Attorney General.

That is the Executive Order. The last step in the whole process will be the development of legislative charters by the committees of the Congress. Their first draft will be tabled next week. They will probably take some months to work that out, with negotiations between ourselves and the various bodies of the Congress, but over the next year or so we will see the codification of some of the Executive Order regulations as well as other regulations. We will be settling down into a process which I think will strengthen our capabilities, challenge our energies and from which will evolve an intelligence philosophy which is new and uniquely American. I'm bullish for the prospects.